

NORTHEAST OREGON ALLIANCE

RURAL ACTION PLAN

BACKGROUND

The Rural Investment Fund was established by the 1995 Legislature and signed into law by Governor Kitzhaber. Administrative Rules for the fund were adopted on October 6, 1995. The Northeast Oregon Alliance region was awarded \$651,687 for projects, technical assistance and staffing.

According to the Administrative Rules, the Rural Investment Fund "is intended to provide a vehicle by which Regional Boards can leverage other funding sources to the maximum extent possible to improve the economies of rural areas."

The Northeast Oregon Alliance (NEO Alliance) Board was charged with the task of creating a rural action plan. The board developed this plan and adopted it on February 27, 1996. In March, the board held public hearings with the county governing bodies. All the county governing bodies adopted the plan.

The Northeast Oregon Alliance Board reviewed its membership and determined that the board members adequately represent the interests of rural areas within the region.

NEEDS ASSESSMENT

Existing strategic or community plans from Hermiston, Pendleton, Milton-Freewater, Union, Elgin, Union County, CAPECO, Region 12 and 13 Workforce Quality Committees, Port of Umatilla, Wallowa County, and Overall Economic Development Programs from the Greater Eastern Oregon Development Corporation and Northeast Oregon Economic Development District were reviewed to identify the needs and goals of the region. The needs and goals identified in these plans were reviewed by the board and discussed in the public input meetings.

The Northeast Oregon Alliance Board held nine community input sessions in Milton-Freewater, Hermiston, Pendleton, Elgin, Union, La Grande, Joseph, Wallowa, and Enterprise to gather input from the rural areas. County governing bodies, cities, special districts, the Confederated Tribes of the Umatilla Indian Reservation, Workforce Quality Committee staff from Regions 12 and 13, county and city planning departments, chambers of commerce, development organizations, and community planning contacts were invited to these sessions. In addition, press releases inviting the public to attend and participate in these sessions were sent to newspapers and radio stations within the region. The majority of these meetings were well attended and regional board

members attended meetings in their respective counties. The board also conducted a survey to determine the priority needs of the region.

All public input was reviewed by the board. A summary of the input received from the public input meetings and the surveys are included as an appendix to this plan. Concerns that received consideration from the public include: infrastructure, medical facilities, grant writing and technical assistance, retention and expansion of existing business as well as attraction of new businesses to create family wage jobs, construction and improvements to community centers and city halls, affordable housing, workforce training/facilities, telecommunication, beautification and restoration of downtown areas and housing, child and youth care, and many additional concerns relating to the quality of life in northeast Oregon.

MISSION STATEMENT OF THE RURAL ACTION PLAN

With the input of the rural areas and the information from the strategic plans, the Board developed the following mission statement: The Northeast Oregon Alliance's mission is to help rural areas finance projects that address locally-determined economic and community development needs.

OBJECTIVES

Introduction

In the interest of recruiting the widest variety of project applications, the Board determined not to limit projects to any specific category. However, after much discussion, the Board has prioritized the needs assessment of the region and will fund projects in the following categories:

INFRASTRUCTURE AND PUBLIC BENEFIT

Definition: Infrastructure and Public Benefit includes highways, telecommunications, sewer, water, transportation, solid waste/transfer sites, fire districts, medical facilities, street improvements and law enforcement.

TECHNICAL ASSISTANCE

Definition: Technical assistance project funding will support project development and administration, grant writing, feasibility studies and may include services such as consulting services, training for volunteers, staff and boards, and matching funds for staff support.

BUSINESS DEVELOPMENT

Definition: Business Development includes tourism, cultural centers, art businesses, cottage industry or flex space, industrial parks, and newspapers, with a focus on small business development, business incubators, business retention and expansion, diversification of private industry, and marketing plan development.

HOUSING

Definition: Housing includes infrastructure for housing development, rental/worker housing, senior or assisted living housing, multi-family housing, restoration/preservation/safety compliance projects, and mobile home housing focused on housing that is affordable, within urban growth boundaries, and meets the needs of the community.

MISCELLANEOUS

Definition: This category was designed to assure that communities with viable projects not found in the other four categories are not excluded. Projects in this area might include natural resource planning and implementation, the arts, Native American relations, downtown restoration and libraries.

PROJECT SOLICITATION PROCESS

Projects will be solicited from businesses, the general public, cities, counties, special districts, Workforce Quality Committees, and Indian tribes. The funding opportunity will be advertised in the East Oregonian, The Observer, the Hermiston Herald, the Valley Times, the Elgin Recorder, and the Wallowa County Chieftain. Press releases will be delivered to radio stations and newspapers within the region. A notice of the application procedure will be sent to the direct mail list developed through the Regional Strategies and the Rural Action Plan public input processes. The region will accept applications between April 1 and July 1, 1996.

EVALUATION AND FUNDING PROCESS

The staff will review projects as they are received. All applicants who meet threshold criteria, as determined by staff, will be given the opportunity to be interviewed by the Board. The Board will make its initial selection of projects for funding by October 1, 1996. If all funds are not obligated at that time, or if projects do not progress as scheduled, the board will develop a procedure to commit all of the region's funds prior to May 31, 1997.

The Northeast Oregon Alliance Board will utilize the following list of criteria to make its funding decisions.

Criteria Applicable For All Projects:

1. The priorities of Rural areas that have the greatest economic challenges;
2. Whether monies from the Rural Investment Fund will fill a gap in financing for programs and projects;
3. The extent to which monies from the Rural Investment Fund will leverage other resources by bringing in public or private partnerships;
4. The degree to which applicants for funding have established measurable economic outcomes that can demonstrate, through specific Performance Measurements, progress towards achievement of the goals and objectives of the Rural Investment Fund.

Prioritized Criteria for Specific Objectives:

INFRASTRUCTURE AND PUBLIC BENEFIT PROJECTS

- 1) Creates and retains family wage jobs
- 2) Institutes long term growth
- 3) Readiness to proceed
- 4) Cultivates healthy rural opportunities
- 5) Demonstrates that all other sources of funding have been pursued
- 6) Equalizes metropolitan versus rural opportunities
- 7) Quality of project proponent (past history, professionalism, organizational capacity)
- 8) Cost efficiency (project costs/number of persons served)
- 9) Complies with federal, state and local issues
- 10) Increases private partnerships

TECHNICAL ASSISTANCE PROJECTS

- 1) Creates opportunities for small business development
- 2) Creates and retains family wage jobs
- 3) Promotes the wise use of natural resources
- 4) Increases private partnerships
- 5) Improves access to services and/or markets
- 6) Builds capacity

- 7) Institutes long term growth
- 8) Equalizes metropolitan versus rural opportunities
- 9) Diversifies the economy
- 10) Quality of project proponent (past history, professionalism, organizational capacity)
- 11) Readiness to proceed
- 12) Maintains social and cultural values
- 13) Provides opportunities to implement strategic plans
- 14) Cultivates healthy rural opportunities

BUSINESS DEVELOPMENT PROJECTS

- 1) Creates opportunities for small business development
- 2) Creates and retains family wage jobs
- 3) Existing business plan
- 4) Risk assessment completed
- 5) Readiness to proceed
- 6) Promotes the wise use of natural resources
- 7) Quality of project proponent (past history, professionalism, organizational capacity)
- 8) Institutes long term growth
- 9) Equalizes metropolitan versus rural opportunities
- 10) Encourages favorable business climate

HOUSING PROJECTS

- 1) Increases private partnerships
- 2) Creates and retains family wage jobs
- 3) Complies with federal, state and local issues
- 4) Improves access to services and/or markets
- 5) Quality of project proponent (past history, professionalism, organizational capacity)
- 6) Diversifies the economy
- 7) Promotes the wise use of natural resources
- 8) Cultivates healthy rural opportunities

MISCELLANEOUS PROJECTS

- 1) Creates opportunities for small business development
- 2) Readiness to proceed
- 3) Promotes the wise use of natural resources
- 4) Creates and retains family wage jobs
- 5) Meets social expectations
- 6) Encourages favorable business climate
- 7) Complies with federal, state and local issues
- 8) Provides opportunities to implement strategic plans

- 9) Demonstrates that all other sources of funding have been pursued
- 10) Existing business plan
- 11) Cultivates healthy rural opportunities
- 12) Equalizes metropolitan versus rural opportunities
- 13) Improves access to services and/or markets

Ineligible Activities

The Northeast Oregon Alliance will not fund projects that include activities in the following list as they are prohibited by Administrative Rule:

1. Retirement of any debt;
2. Payments for expenses incurred prior to approval of the Northeast Oregon Alliance's Rural Action Plan by the State of Oregon;
3. Payments for, or substitutions of, local government expenditures for Existing or Continuing Public Services;
4. Relocation of a facility from one labor market within the State to another, if not accompanied by an expansion of the applicant's business or employment.

PERFORMANCE MEASUREMENTS

Introduction

The Board will set performance measures for each project on an individualized basis in cooperation with the project proponent and utilizing criteria established for the project category. In some cases these performance measurements may include the enhancement of an existing public facility, in other cases the performance measurement may be an increase in grant requests written for a jurisdiction or project, completion of construction or feasibility study, or leverage of funds. Modification of performance measurements is a continuous improvement process. Performance measurements will be modified as necessary on an ongoing basis; performance measures may be modified or developed to accommodate specific projects that do not affect the performance measures listed here. The specific measures listed under the benchmarks are examples of the measures that may be used to evaluate the success of individual projects.

Overall Goals/Benchmarks

The following benchmarks have been established for the entire Rural Action Plan portfolio of projects.

1. The portfolio of infrastructure, business development and housing projects will be expected to leverage two dollars for every Rural Investment Fund dollar invested. The portfolio of projects will be expected to meet this objective, although each individual project will not be required to meet the leverage objective. (Input Measure)

Infrastructure Benchmark

Generate, approve and support activities that develop regional infrastructure to strengthen the capacity to improve rural economic opportunities and cultivate healthy rural communities.

Specific Measures:

1. Projects and activities will result in the creation and retention of family wage jobs. (Outcome Measure)
2. Activities and projects will increase the number of private partnerships. (Outcome Measure)
3. Activities and projects will increase the capacity of specific components of the region's infrastructure. (Output Measure)

Technical Assistance Benchmark

Generate, approve and support technical assistance activities that improve the capacity to develop, plan, implement and measure economic and community development in the region.

Specific Measures:

1. Activities and projects will provide communities with training, staffing or consultants in project development. (Output Measure)
2. Activities and projects will provide communities with training and consulting on grant writing skills. (Output Measure)

Note: Outcome Measures are difficult to establish when you are measuring an activity

that promotes other activities that are expected to lead to outcomes.

Business Development Benchmark

Generate, approve and support business development activities and increase small business and new business opportunities in the region.

Specific Measures:

1. Activities and projects will increase the number of new businesses developed in the region. (Outcome Measure)
2. Projects and activities will result in the creation and retention of family wage jobs. (Outcome Measure)
3. Activities and projects will increase the measurable productivity and results from existing businesses. (Outcome Measure)

Housing Benchmark

Generate, approve and support housing development that creates and retains family wage jobs, improves access to services and cultivates healthy rural opportunities.

Specific Measures:

1. Projects and activities will result in the creation and retention of family wage jobs. (Outcome Measure)
2. Activities and projects will increase the number of private partnerships. (Outcome Measure)

STAFF

The Northeast Oregon Economic Development District, current staff for the region's board, will administer the Rural Action Plan and oversee financial operations of the region's Rural Investment Fund. The region's board has approved a budget of \$65,000 for the biennium. NEOEDD will provide the following services for the regional board: overall plan administration, public outreach, project solicitation, board support, meeting preparation and minutes, contract development/monitoring/administration, fiscal management, project troubleshooting, community assistance, and preparation of periodic reports regarding the use of Rural Investment Funds.

Regional Strategies Round 4 Project Status
May 17, 1996

Project	Contract Signed	Regional Strategies Funds Awarded	Jobs Required	Jobs Created	Match Committed	Match Invested	Regional Strategies Funds Disbursed	Balance of Regional Strategies Funds
Anthony Lakes	Yes	10000	5	0	30000	14600	4380	5620
Blue Mountian Brewing	Yes	40000	7	0	300610	0	0	40000
C & B Beef	No	100000	50	0	10289000	0	0	100000
The Cannery	Yes	20700	1	1	70965	51035	14167	6533
Earl Brown & Sons	Yes	50000	0	.13	575000	395768	50000	0
Food Process. Institute	Yes	35000	0	0	35000	66937	26622	8378
GEODC - Umatilla County	Yes	20000	60	1.5	1085000	1085000	20000	0
Guerdon Homes	Yes	50000	250	0	3830000	1497153	50000	0
Guerdon Homes - City of Pendleton	Yes	50000	0	0	70000	0	0	50000
Koontz Incubator	Yes	20000	0	0	6300	7035	19950	50
Mint Residue	Yes	35000	.25	.22	87680	91693	35000	0
Pendleton Underground	Yes	20000	0	0	20000	20127	20000	0
Stafford's Custom Cutting	No	16061	1.5	0	40000	0	0	16061
Tamustalik Cultural Institute	Yes	100000	18	0	8190000	0	0	100000
Union County Museum	Yes	37750	1	0	37750	18100	17270	20480
USFS - Winter Attractions	Yes	16700	0	0	16750	11530	6530	10220
Oregon Crossing	Yes	66061	16	.53	26000	26236	50056	16005
Multi-Region Gas	No	1000						1000
Multi-Region Ag	Yes	50000					32358	17642
Multi-Reg Tourism	Yes	2000					2000	0
Totals		740272	409.75	3.38	24710055	3285214	348333	391989

Regional Strategies Round 5 Project Status
March 15, 1996

Project	Contract Signed	Regional Strategies Funds Awarded	Jobs Required	Jobs Created	Match Committed	Match Invested	Regional Strategies Funds Disbursed	Balance of Regional Strategies Funds
Apple Variety Trial	Yes	6338	0	0	8883	0	0	6338
Berry Basket	Yes	4280	0	0	3000	3384	4059	221
Bulk Grain Facility	Yes	20000	.66	0	28900	21781	5900	14100
City of Pendleton	Yes	16000	2	0	104000	0	0	16000
Joseph Golf Course	Yes	10000	0	0	15000	0	0	10000
NEOEDD Intermediary Relending Program	No	40000	50	0	1020000	0	0	40000
Oveson Ranch	No	60000	5.5	0	291000	0	0	60000
Port Feasibility Study	Yes	20000	0	0	12000	9000	11000	9000
R&R Bait	Yes	100000	8	.25	80000	65337	73373	26627
Spout Springs	Yes	4500	0	0	4500	3000	2827	1673
Stadelman Fruit	Yes	35000	2	0	230000	303808	35000	0
Tanzey Forest Products	Yes	20000	6	3.5	0	194000	20000	0
Union Downtown	No	10000	0	0	5000	10000	5000	5000
Woodwright	Yes	68000	21	0	47200	44264	27700	40300
Canola Seed Trials	No	30000		0				
Summer Ag Institute II	No	3000						
Rural Gas Station	No	5000						
Plantation Poplars	No	20000						
Oregon Tribes Tourism	No	25000						
Totals		497118	95.16	3.75	1849483	654574	184859	229259